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- NE - MCGINNIS, CLAPPER, HERCZEG, HAN
- NA 20 - BAKER, WITTROCK
- NA24 - LERSTEN, SCHEINMAN, GOOREVICH, BRUNS
NRC FOR OIP - MDOANE, JSCHWARZMAN
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SUBJ: IAEA/GC: GENERAL DEBATE HIGHLIGHTS

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Summary

¶1. (U) Director General ElBaradei opened the IAEA General Conference on September 29 with a warning that "all is not well with the IAEA," given a lack of resources to meet nuclear energy, safeguards, safety and security challenges. He called for implementation of the Additional Protocol (AP), including by Iran, and cited upgrades of the Safeguards Analytical Laboratory and the Incident and Emergency Center as immediate priorities. The Director General highlighted the Commission of Eminent Persons (CEP) report's recommendations, and urged member states to take a long-term view of the Agency's future. The Scientific Forum, a two-day event parallel to the General Conference, also addressed the future role of the IAEA, as informed by the CEP report.

¶2. (U) The General Debate in the GC Plenary spanned four days, including national statements from 130 member states and intergovernmental organizations. Speaking first in the General Debate, Secretary of Energy Bodman delivered the U.S. statement and a Presidential message in support of the IAEA. A number of countries offered general assessments of the CEP report on the Agency's future as timely but in need of member state input and further refinement. Among other key issues were nuclear verification in Iran, DPRK, Syria and Libya; Indian nuclear cooperation; and the establishment of a NWFZ in the Middle East. Several interventions noted the passage of UNSCR 1835 on Iran. Iran, having downgraded its participation in the GC to protest the IAEA's toughening stance, charged that the Agency was threatening its national security. Iran also raised "non-discrimination" in multilateral fuel assurances. In a similar vein, Syria claimed that its cooperation with the IAEA would not be at the expense of military or national security.

¶3. (U) In addition to these specific issues, member state interventions in the General Debate addressed broad themes and IAEA programmatic areas: strengthening safeguards with emphasis on the Additional Protocol and nuclear disarmament; funding and support to nuclear security; the Agency's role in the expansion of nuclear power; the importance of technical cooperation and nuclear safety. Japan and South Africa used their interventions to promote respective candidates for IAEA Director General. Notably, on the issue of upgrading the Agency's laboratories, the Czech Republic

announced that it had offered the IAEA "premises and capacities" for safeguards analysis. Several member states, including some potential recipients, also expressed support for Reliable Access to Nuclear Fuel (RANF). End Summary.

DG's Introductory Remarks

¶4. (U) Opening the GC on a cautionary note, DG ElBaradei warned in address entitled "The IAEA at a Crossroads," that "all is not well with the IAEA" and cited a lack of resources and legal authority to meet member state expectations. IAEA-FAO cooperation was the first programmatic area he mentioned, urging continued member state support. Among growing demands was the significant expansion of nuclear power, projected to double by 2030, and safeguards challenges with respect to undeclared activities by state and non-state actors. Regarding the latter, ElBaradei regretted that only about half of NPT states have Additional Protocols (AP) in force and 30 states lack required comprehensive safeguards agreements (CSA). The DG also highlighted Agency contributions to nuclear safety standards and nuclear security. The aging infrastructure at the Safeguards Analytical Laboratory merited particular mention, as did the need for an overhaul of the Incident and Emergency Center so that it may respond to large-scale emergencies.

¶5. (U) ElBaradei commented on the DPRK's intention, at that juncture, to restrict inspector access, and noted "substantial progress" in Iran's nuclear program. However, he stressed that the Agency could not verify the absence of undeclared activities, and urged Iran to implement the AP and transparency measures to build confidence as "this would be good for Iran and good for the world." The DG welcomed the resumption of routine verification in Libya but reiterated concerns that electronic information on enrichment and weapon design exists on the black market. He also reported the lack of any progress on a Middle East NWFZ.

¶6. (U) Turning to the future, the DG noted that years of zero real growth left the Agency overly reliant on voluntary contributions, particularly for nuclear security and safety as well as safeguards. He highlighted the Commission of Eminent Persons (CEP) report's most important recommendations, including multilateral nuclear fuel supply arrangements; substantial increase for the Technical Cooperation Fund, which should not be a "political bargaining chip"; binding nuclear security standards and a global safety network; strengthening safeguards, and progress on nuclear disarmament, which has been on the "back burner for too long." The cost of these proposals, with a gradual doubling of the IAEA budget by 2020, was modest, he claimed, weighed against the cost of a nuclear accident or terrorist attack. ElBaradei concluded by encouraging member states to "think big and think long-term."

U.S. Statement

¶7. (U) The first speaker in the General Debate, Secretary of Energy Bodman delivered the U.S. statement and a message from President Bush. The Presidential message pledged that the U.S. would do its part to support the Agency's goals, including those outlined in the CEP report, of strengthening safeguards, and promoting nuclear safety, security and peaceful nuclear energy. Secretary Bodman noted three challenges facing the expansion of nuclear power that need to be addressed in quick order: cost, waste and proliferation. He also highlighted the Convention on Supplemental Compensation (CSC), the Global Nuclear Energy Partnership (GNEP) and the Next Generation Safeguards Initiative (NGSI); and he supported the establishment of an international nuclear fuel bank, noting the U.S. contribution of nearly 50 million USD to that effort. Secretary Bodman advised that the U.S. hoped to ratify the AP by year's end and reported significant progress in nuclear disarmament, with the U.S. strategic stockpile at levels equivalent to that of the Eisenhower Administration. Full text of the U.S. statement available at www.doe.gov and www.iaea.org.

¶18. (U) Several countries commented on the CEP report and future direction of the Agency with some expressing reservations about outsourcing the 20/20 process. The EU advised it is willing to enter a dialogue on CEP recommendations within the Statutory mandate of the Agency, but also noted that the CEP does not replace the Agency's policy bodies. Slovenia and the Netherlands observed that member states should steer the 20/20 process. Slovenia also recommended that the IAEA focus on its statutory role while Poland cautioned against the trend toward politicization of the Agency's work. Poland supported more emphasis on nuclear energy development and reliance on the regular budget. The Netherlands attached great importance to the Agency's future, and was ready to discuss budgetary implications. The UK, Brazil, Chile, Philippines, Algeria, Tunisia, Azerbaijan and others welcomed the CEP report as timely, positive and a good basis for discussion. Norway urged that we seize this opportunity to strengthen the Agency.

¶19. (U) Among the G-77, India was critical of the report as needing "balance" and more of a focus on nuclear energy and practical ideas. Indonesia also observed that the CEP report did not sufficiently address issues of concern to developing countries, especially Technical Cooperation (Note: The report calls for a substantial increase in TC funding. End note.) Syria underlined that the CEP report was a non-binding guidance document and that member states and policy organs would determine the future direction of the Agency.

DG Candidates

¶10. (U) Japan and South Africa used the General Debate to enthusiastically support their respective candidates for the next IAEA Director General, Governor Amano of Japan and Governor Minty of South Africa. Mozambique also publicly endorsed Minty's candidacy; the DG race was not otherwise raised in the General Debate.

Nuclear Verification: Iran

¶11. (U) Iranian Vice President and Atomic Energy Agency of Iran (AEOI) Director Agazadeh cancelled his participation in the General Conference, reportedly to protest the IAEA's toughening stance on Iran's nuclear program. Iran's statement, delivered by Iranian Ambassador Soltanieh, charged the IAEA with threatening Iran's national security on the pretext of verification and at the behest of a few Western nations. Soltanieh described Iran's nuclear energy plan and encouraged potential suppliers to participate. He noted that the fuel enrichment facility at Natanz was almost at the final stage of construction. In statements widely quoted in the press, Soltanieh claimed that multilateral fuel assurances failed to address concerns of developing countries and include non-discriminatory criteria. Soltanieh insisted that Iran acts in accordance with its safeguards agreement, and cited negative developments in the Board of Governors. He urgently called for UNSC reform and concluded by affirming that sanctions do not deter Iran's nuclear program and put constraints on negotiations.

¶12. (U) More than two dozen IAEA members referred to Iran in their General Debate statements; most were critical with the exceptions of Cuba and Venezuela. The EU, UK, Germany, Denmark, Italy, Belgium, Greece, Australia, New Zealand, Canada, Japan, Norway, Ireland, Malta, the Philippines and Singapore variously urged Iran to cooperate with the IAEA (or noted Iran's defiance), implement the AP/transparency measures, comply with UNSCRs and change course. Several countries also encouraged Iran to respond to the EU3+3 offer. (Note: Like the U.S., Russia and China did not focus on verification issues in their GC statements. End note.) The EU "could not accept Iran with nuclear weapons" and cited the adoption of UNSCR 1835 that week, as did the UK, Denmark and Australia. The EU affirmed that as the guarantor of international security the UNSC was an important partner of the IAEA. Denmark's statement was particularly strident with respect to the credibility of the UNSC. The EU also called on Iran to accede to the Convention on Nuclear Safety before Bushehr goes online. Several interventions supported

the IAEA investigation of weaponization. Germany noted remaining questions on the possible military dimensions to Iran's nuclear program, while Greece called on Iran to make full disclosure of weapons development. Australia urged Iran to follow Libya's lead, and Belgium contrasted Libya's case with those of Iran and DPRK. Notably, Peru distanced itself from the Tehran NAM Ministerial statement and supported UNSCRs on nonproliferation.

¶13. (U) Other national statements, including by some current or incoming UNSC members, were carefully balanced. Mexico welcomed positive progress on the Iran work plan and urged Iran to intensify cooperation and clarify outstanding issues. Thailand also urged Iranian cooperation but defended NPT rights to peaceful use. Turkey noted the non-diversion of declared nuclear material in Iran while sharing the DG's concern that the Agency is not able to verify the full scope of Iran's program. Ukraine supported constructive dialogue between Iran and the Agency. Sudan welcomed IAEA activities in Iran and encouraged a peaceful conclusion. Libya warned that "threats and confrontation" would not facilitate a solution and argued against sanctions or use of force. Libya stressed Iran's right to peaceful use, while calling for increased cooperation. Indonesia hoped that Iran's program would remain peaceful and cautioned that sanctions alone would not lead to a solution. As would be expected, Cuba and Venezuela came to Iran's defense. Venezuela rejected the UNSC "usurping" the IAEA's role and argued that Iran should not be singled out, using pretexts to deny NPT rights. Cuba also cited the IAEA as the only competent authority to verify compliance without external interference.

Nuclear Verification: Syria, Libya, DPRK

¶14. (U) In a statement delivered by Atomic Energy Commission Director Othman, Syria regretted calls by others for more transparency with the Agency on the investigation. Othman recalled statements made by the DG and DDG for Safeguards at the September 2008 Board of Governors meeting that Syria was "cooperative and complied with the procedures agreed upon with the Agency." Othman noted that Syria will continue to cooperate but not at the expense of disclosing military positions or threatening national security. The remainder of Syria's statement was devoted to the issues of a Middle East NWFZ and "double standard" for Israel.

¶15. (U) A number of statements raised Syria's cooperation with the IAEA. The EU urged Syria to answer the IAEA's questions and provide access, asking that the Secretariat pursue the investigation "until such time" that it can send a full report to the Board of Governors. Denmark, Germany, Italy and Australia also called for Syrian cooperation with the investigation. Australia and Canada expressed concern about DPRK cooperation with Syria. By contrast, Switzerland was pleased to see cooperation with Syria and awaited the conclusions of the IAEA. Malaysia noted that there was no indication of nuclear material at Al Kibar. Rallying to Syria's defense, Venezuela described the attack on Al Kibar as a flagrant violation of international law.

¶16. (U) Several statements took note of positive developments in Libya. The EU applauded the "courageous steps" taken by Libya and Italy expressed satisfaction with Libya's decision to renounce WMD. Belgium, Italy and others noted Libyan-IAEA cooperation and transparency and Greece hoped that other member states would follow Libya's example. Libya expressed support for IAEA safeguards and focused its statement on peaceful use, nuclear energy and technical cooperation. Libya also thanked the U.S. and U.K. for the fruitful work carried out in the days prior, i.e. on the Board of Governors resolution on Libya's return to routine safeguards, and cited U.S.-Libya cooperation on a nuclear medicine center.

¶17. (U) At least 20 General Debate statements, including those of Japan, Australia, Canada, Germany, Ireland, Switzerland, Italy, Turkey, Malta, the Philippines, Indonesia and Thailand, sounded concern about the DPRK's announced halt to disablement activities at Yongbyon and removal of IAEA seals and inspectors in late September. The ROK, New Zealand, Singapore and several others called for the DPRK's return to the NPT and IAEA safeguards. Denmark, Italy, Ukraine, Thailand and Chile also supported the IAEA's role in DPRK. The EU called on the DPRK to implement UNSCRs and dismantle nuclear

facilities in a verifiable manner so that the IAEA could be in a position to assume its full role.

India Nuclear Cooperation

¶18. (U) India highlighted the Board of Governors' approval of its safeguards agreement and subsequent NSG exception, which would allow it to contribute to international civil nuclear cooperation, and focused on the importance of nuclear energy for sustainable development and climate change. Israel also welcomed the U.S.-India civilian nuclear agreement. Germany expected that the India-IAEA safeguards agreement would bring India closer to nonproliferation efforts and that India would refrain from nuclear testing. Germany clarified that its support of the NSG decision was predicated on the safeguards agreement. The ROK specified that India should implement its safeguards agreement and the Additional Protocol at the earliest possible date; Belgium also hoped India would move forward on the AP. Japan called on India to join the NPT as a non-nuclear state. Others expressed continued reservations about the India safeguards agreement and NSG exemption. Switzerland noted that this still represented a challenge for universality and comprehensive safeguards. Ireland had "reluctantly" agreed to India's exemption from full safeguards only after India committed to a moratorium on testing. Indonesia was the most critical in "deeply regretting" the NSG decision, which would bring more harm than good to the global nonproliferation regime.

Reliable Access to Nuclear Fuel

¶19. (U) The General Debate further reflected considerable momentum and support for Reliable Access to Nuclear Fuel (RANF), which was also the subject of side events by the Nuclear Threat Initiative (NTI) and others. The EU confirmed that it was examining the possibility of making a contribution to the International Nuclear Fuel Bank (INFBN). Russia expected to have all the mechanisms in place for the international fuel enrichment center at Angarsk by year's end. However, Russia cautioned that making fuel supply arrangements subject to political considerations would undermine support. China also called for multilateral approaches to the nuclear fuel cycle. The UK noted that it would host a major conference by March 2009 on assurance of supply. Germany shared the DG's view that any multilateral mechanism should be non-discriminatory and in compliance with IAEA safeguards. Other EU members, including Austria, Denmark and Greece, expressed strong support for multilateralization of nuclear fuel supply, and Denmark advocated a crucial role for the IAEA in such a mechanism.

¶20. (U) Among potential recipient countries, the Philippines viewed "with interest" proposals on multilateral fuel centers with IAEA involvement. Ecuador welcomed the rich debate about options for guaranteeing supply of nuclear fuel, and was prepared to support viable initiatives allowing countries to benefit from nuclear energy. Indonesia was also forward leaning in viewing multilateral mechanisms on fuel supply as a positive step so long as this does not restrict the right of countries to develop nuclear technology. Malaysia noted that the establishment of a RANF mechanism should be based on consultation with all member states and by consensus. Only

Venezuela obliquely rejected "commercial" arrangements that limit states' options with regard to nuclear power, while Iran portrayed fuel supply mechanisms as discriminatory toward developing countries.

Middle East NWFZ

¶21. (U) Once again the subject of a Middle East NWFZ would come to dominate the General Conference. The former GC President (Lebanon) opened the GC with a call for universal adherence to the NPT in the Middle East and the establishment of a zone free of WMD. Upon taking office, the 2008 GC President (Italy) expressed the hope that a Middle East Forum on the establishment of a WMD-free zone could be convened during the coming year. For its part, Israel noted that it

had supported establishment of a NWFZ since 1993 and had not lost hope, but regretted the breakdown of consensus in the GC. This had led Israel to wonder if the Middle East NWFZ was really the issue.

¶22. (U) The establishment of a Middle East NWFZ and the "double standard" with respect to Israel's accession to the NPT/the application of IAEA safeguards was the focus of interventions by most Arab states in the General Debate (Egypt, Syria, Saudi Arabia, Tunisia, Morocco, Libya, Jordan, Lebanon and Sudan) and that of Iran. Syria portrayed this as the "highest priority" on the agendas of all international organizations, and Iran blamed the U.S., U.K and France for Israel's possession of nuclear weapons. Libya also pointedly warned that Israel's nuclear possibilities could trigger an arms race in the region. NAM countries led by Cuba, Venezuela, Indonesia, Malaysia and Ecuador voiced support for a Middle East NWFZ and the Arab League position. Cuba condemned U.S. technology transfer to Israel. The Palestinian Observer Mission spoke of living in the shadow of the unsafeguarded Israeli reactor. Others such as Afghanistan and Nigeria lent moral support to the concept of NWFZs, including in the Middle East.

Safeguards / AP/ SAL

¶23. (U) The majority of countries underlined their commitment to strengthening safeguards with particular emphasis on universalization of the Additional Protocol. EU members, Russia, China, Australia, New Zealand, Norway, Singapore, Kazakhstan, Uganda, Albania and Croatia cited the importance of the AP. Spain regretted that 11 years after the adoption of the Model AP, 104 states have yet to implement it. The UK, Austria and others cited the failure of 30 countries to conclude safeguards agreements. Several interventions (Denmark, the Netherlands, Austria, ROK, Latvia, Israel and others) stressed safeguards compliance, noting that breaches of safeguards obligations/ clandestine activities necessitated strengthened safeguards. Australia saw safeguards as the core mission of the IAEA, including with respect to investigation of weaponization, and cited transparency measures beyond the AP.

¶24. (U) In a concrete contribution to Agency safeguards, the Czech Republic announced during the General Debate that it had officially offered the Agency premises and capacities for performing analysis of safeguards samples. The Czech Republic advised that use of or investment in adequate capacities of countries in the vicinity could be a cost effective solution for the IAEA in its efforts to upgrade the Safeguards Analytical Laboratory.

¶25. (U) In other noteworthy interventions, Saudi Arabia cited safeguards as one of the main pillars of the Agency but argued that they be applied without exception (i.e. including Israel). Saudi Arabia reported that it has met all the legal and constitutional requirements for implementation of a safeguards agreement, and Tunisia advised that it would soon ratify an AP. Pakistan also noted that it would place a uranium conversion facility under Agency safeguards.

¶26. (U) Only Egypt cast the AP as a voluntary measure that should not be generalized and complained instead of the diminishing role of the IAEA in disarmament. Brazil, Bolivia, Colombia and Indonesia characterized nonproliferation and disarmament as mutually reinforcing or inseparable, and the Philippines called for substantial progress toward both. Nigeria also linked the transparent and nondiscriminatory application of Agency safeguards with commitment to disarmament on the part of nuclear weapons states. Switzerland observed that the NPT Prepcom had demonstrated this conflict between verification and disarmament. In an apt rejoinder, Norway argued that concerns about the lack of progress on disarmament should not be an excuse for or detract from strengthening safeguards. Kazakhstan also advocated universal disarmament and Venezuela rejected the existence of nuclear weapons. In addition, Norway, Ireland, Italy, Armenia and others called for the CTBT to enter into force.

Nuclear Security

¶27. (U) Nuclear security was also high on the agenda of the majority of member states. The EU noted support for the Global Initiative to Combat Nuclear Terrorism and encouraged participation in the IAEA's illicit trafficking data base and nuclear security fund (NSF). Russia announced that it would make a considerable contribution to the NSF. The Netherlands saw the NSF as a "pivotal" function that should be funded out of the regular budget, while Denmark, New Zealand and others also noted contributions to the NSF.

¶28. (U) Countries from every region (Canada, New Zealand, Pakistan, Saudi Arabia, Morocco, Ukraine, Afghanistan, Azerbaijan, Kazakhstan, Latvia, Croatia, Macedonia, Armenia, Poland, Italy, Colombia, Kenya among others) highlighted nuclear terrorism and trafficking as a grave threat, and strongly supported the IAEA's efforts in coordination with other bilateral and multilateral mechanisms. Pakistan saw verification of safety and security as the primary objective of the Agency. Morocco called upon the IAEA to use all the resources at its disposal against the acquisition of nuclear technology by international terrorist networks. In a direct affront to Pakistan, Afghanistan observed that AQ Khan and his government must be accountable for their implication in nuclear proliferation, and held nuclear states responsible if a terrorist attack should occur. Libya noted its historic decision to dismantle nuclear technology that could lead to nuclear terrorism.

¶29. (U) Denmark cited UNSCR 1540 as a fundamental step forward, and Saudi Arabia and Ukraine commended the IAEA's role in UNSCR 1540 and 1763 implementation. Italy cited cooperation through the G-8 against nuclear terrorism and supported a ban on fissile material production, as did Finland. A number of countries focused on strengthening export controls and regional cooperation. Denmark cited the Proliferation Security Initiative (PSI), and Latvia noted its work with DOE on control of dual use technology. Ukraine highlighted cooperation through GUUAM, as did Azerbaijan, and with the U.S. and others in the Global Initiative to Prevent the Proliferation of Nuclear Weapons. In addition, Russia noted removal of HEU from Vietnam, Poland and the Czech Republic, while the Czech Republic noted it would fund the transfer of spent fuel from Serbia to Russia.

Nuclear Safety

¶30. (U) Many interventions strongly supported the IAEA's role in nuclear safety, in addition to nuclear security. China called upon the Agency to strengthen the global nuclear safety culture and advised against complacency in view of several incidents at nuclear facilities. The EU congratulated the IAEA's work on nuclear safety standards. Austria expressed concern at efforts to "downgrade" IAEA safety standards from "highest" to just "standard." Italy observed that safety and security standards should be global legal obligations. On the other hand, Finland and others opined that the Agency's advisory role cannot be a substitute for national regulatory infrastructure for those developing nuclear power. Many countries underlined safety as a prerequisite for expansion of nuclear power, including in the context of the 3Ss (safety, security, safeguards). India also announced that it is hosting an IAEA conference on nuclear installation safety in November 2008.

¶31. (U) A number of countries, including Lithuania, Belgium, the UK, Finland, Spain and China, drew attention to waste management. The UK supported deep geological disposal of nuclear waste, and Finland noted that it is constr]I[:Q-QQ
QYp> power and the promotion of innovative approaches. The EU announced that it has developed a global plan on energy and is producing a strategic report by November 2008. The EU also supported IAEA activities on INPRO. Russia expected to double its nuclear capacity by 2060 with the addition of 36 power plants. The UK, Canada and many others noted the vital and expanding role of nuclear energy. Germany believed the IAEA's mandate was sufficiently broad and flexible to support this demand. Only traditional nuclear power opponents such as New Zealand and Ireland raised reservations about the risks of nuclear power and the role of the Agency in its promotion.

¶34. (U) Developing countries such as India and Morocco saw nuclear

energy as integral to meet growing energy needs and for sustainable development. Countries ranging from Saudi Arabia, Libya, and Bangladesh to Romania advocated increased Agency support for nuclear power development. Nigeria, Saudi Arabia, Pakistan and Libya stressed unconditional and transparent support and non-discrimination in furtherance of NPT rights to nuclear energy. Several of 50 or so states considering nuclear power addressed their plans. Kuwait referred to a Gulf Summit declaration on a joint program among GCC countries for peaceful use of nuclear energy, noted satisfaction with preliminary feasibility studies, and looked forward to further IAEA-GCC cooperation. Libya had invited a number of companies to offer expertise on nuclear reactor technology and had signed agreements with France, Russia and South Korea. Morocco noted that it had launched its first reactor in 2007 and supported technical cooperation with brotherly countries. Turkey planned for nuclear power to become a major component of its energy mix. Jordan would like to use nuclear power and is developing a nuclear energy infrastructure. Malaysia, Thailand, Uganda and Mongolia were exploring or considering nuclear power; Namibia saw it as a prospect and Ghana as a long term option (Ghana is holding its first workshop in early 2009.) The Dominican Republic sought IAEA assistance on nuclear power and noted an agreement with Cuba on training staff.

135. (U) Bulgaria, Armenia and Kazakhstan noted their participation in the Global Nuclear Energy Partnership (GNEP). OECD countries were also more vigorously pursuing nuclear power. Italy noted the adoption of legislation to allow the production of nuclear energy. Lithuania noted it is expanding nuclear power with a new plant expected by 2016, and supported TC for nuclear power development. Finland is building a new plant and considering others. Canada expressed renewed interest in a thorium-fueled reactor. Spain was completing a study on its nuclear power needs through 2030.

136. (U) States were cognizant of the proliferation risks associated with nuclear energy expansion. In addition to Japan, Nigeria advocated adherence to international legal and regulatory requirements for 3s (safety, security and safeguards). Saudi Arabia, Romania, Brazil and several others underlined the role of Agency safeguards in this expansion. Russia noted that it was important to prevent the spread of nuclear weapons technology, and China supported the right to nuclear power for those in compliance with nonproliferation obligations.

----- Technical Cooperation -----

137. (U) Noting that it was the leading contributor to technical cooperation (TC), the EU called for a substantial debate to ensure its effectiveness and efficiency of TC and equitable geographic distribution, including to LDCs. Other donor nations such as Canada also voiced strong support for TC. Many national statements (Algeria, Azerbaijan, Bolivia, Botswana, Bosnia, Croatia, Ghana, Libya, Nigeria, Tanzania, Saudi Arabia, Pakistan, Mongolia, Vietnam and others) focused on the importance of TC in general or TC projects in respective countries. The Program of Action for Cancer Therapy (PACT) drew universal praise, and the African Regional Cooperative Agreement for Research (AFRA), cooperation with the African Union on tsetse fly eradication (AU-PATTEC), and the Sterile Insect Technique (SIT) received accolades from African countries. Ethiopia gave the highest priority to the SIT program, which was at a decisive stage, and thanked the U.S., China and Japan for their support. Continuation of IAEA-FAO cooperation in the Joint Division also drew support from Poland, Norway and Ethiopia, among others.

138. (U) Egypt, Indonesia and Guatemala made traditional calls for "balance" between safeguards and TC and among the Agency's three pillars. Others such as Malaysia called for predictable and assured funding for TC, incorporation of TC in the regular budget, and the establishment of criteria for TC fund targets. Cuba once again lambasted the U.S. blockade, which it blamed for difficulties in implementing TC projects.

----- Scientific Forum -----

139. (U) The two-day Scientific Forum on the margins of the General

Conference was devoted this year to the "Future Role of the IAEA and chaired by former Dutch PM Ruud Lubbers. Four panels considered the IAEA's role in nuclear energy; development; safety and security; and non-proliferation. Among the 21 panelists, including government officials, NGOs and academics, was U/S of Energy and NNSA Deputy Administrator William Tobey, who addressed the Next Generation Safeguards Initiative (NGSI). Opening the Forum, DG ElBaradei related these topics to the 20/20 exercise and the Commission of Eminent Persons report, reiterating many of the points from his introductory remarks to the GC. The first session on nuclear energy included calls for increased IAEA budget and legal authority and focused on the Agency's support role in nuclear power development. Thailand presented an excellent case study on infrastructure and capacity building, and other participants addressed fuel cycle approaches and waste management. The only distraction was an intervention from an Iran during the Q&A in defense of its nuclear program, which was finally cut off. The second panel on development and technical assistance was the most "scientific" of the four, including talks on cancer treatment and water resources. During the panel on safety and security, some participants proposed that the IAEA play the role of an international regulator; most however, favored harmonization of safety and security standards. In the final panel on safeguards, Chairman Lubbers pushed for international acceptance of the AP and criticized U.S.-India nuclear cooperation as a possible failure of the NPT. Other speakers also suggested the expansion of the IAEA role to include verification of disarmament.

¶40. (U) Taking on the DG's challenge to "think big and think long-term," the Scientific Forum Chairman's report to the GC sought to inform and enrich the views of member states with inputs from a variety of stake-holders on the Agency's future. The Director General's 20/20 report and the Commission of Eminent Persons report provided a starting point for the discussion. The Forum report focused on the Agency's role as the global leading actor on non-proliferation; its important role on nuclear energy, safety and security; and the IAEA's strategic but more modest contribution to development assistance. The Forum took note of greater demands on the safeguards system with the expansion of nuclear energy and fuel cycle activities, and nuclear security challenges. This necessitated greater efficiency and effectiveness of Agency safeguards and other innovations, including multilateral approaches to the fuel cycle. Although the Forum report recognizes that the IAEA is not the lead forum on disarmament, it recommends that the Agency be prepared to respond to the technical needs of verification in this domain. The second part of the report on meeting energy needs in a safe and secure manner focuses on the challenges accompanying the nuclear renaissance, including Agency support for "newcomer" countries as well as solutions for waste management, the back-end of the nuclear fuel cycle and innovation. The report recommends a stringent approach to safety and security to enable this renaissance, and sees the Agency as playing a leading, expanded role in harmonization of standards. The final section on development assistance highlights the Program of Action for Cancer Therapy (PACT), the contribution of the FAO-IAEA Joint Division to food security, and Agency research on isotope hydrology. The report recommends enhanced technical cooperation in partnership with other organizations.

¶41. (SBU) In conclusion, the Chairman's report recommends consideration of greater resources to meet the Agency's dual mission for development and security so that it may remain "ahead of the curve." The "vital messages" from the Forum focus the need for more technical assistance to member states and enhancement of nuclear technology for development, and the Agency's role in ensuring that all nuclear facilities meet the 3S (safety, security and safeguards) requirements. (Comment: As has become increasingly the case, the Scientific Forum was less "scientific" and more "political"; this year's focus on the future of the Agency only reinforced the trend. The DG used the Forum as yet another platform for the 20/20 process in the hopes of advancing his agenda. We expect to see some of the Scientific Forum's recommendations creep into discussions of the way forward in the 20/20 process. End Comment.)

PYATT